

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2171

Introduced by Assembly Member Charles Calderon

February 18, 2010

~~An act to amend Section 23040 of the Revenue and Taxation Code, relating to taxation. An act to add Section 39 to the Revenue and Taxation Code, relating to taxation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2171, as amended, Charles Calderon. ~~Corporate income tax. Tax~~ *benefits.*

Existing law imposes various taxes and allows specified credits, deductions, exclusions, and exemptions in computing those taxes.

This bill would condition the allowance of a tax benefit established in a statute that takes effect on or after January 1, 2011, on the allowable amount of that tax benefit being determined in a separate statute, as provided, and the tax benefit shall be paid pursuant to an annual appropriation by the Legislature for that purpose.

~~The Corporation Tax Law imposes a tax according to, or measured by, income derived from or attributable to sources within this state.~~

~~This bill would make technical, nonsubstantive changes to the definition of income.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 39 is added to the Revenue and Taxation*
2 *Code, to read:*

3 39. (a) *The allowance of any tax benefit established in a statute*
4 *that takes effect on or after January 1, 2011, is subject to both of*
5 *the following:*

6 (1) *For each calendar year or any portion thereof to which it*
7 *pertains, the tax benefit shall be allowed to each eligible taxpayer*
8 *only in that amount, equal to or less than the amount of that benefit*
9 *as established in statute, that is annually determined in a separate*
10 *statute to be consistent with the ability of state government to meet*
11 *its expenditure obligations under law. A tax benefit established in*
12 *a statute that takes effect on or after January 1, 2011, is not*
13 *allowed for any year until the allowable amount of that tax benefit*
14 *is determined in a separate statute in accordance with this*
15 *subdivision.*

16 (2) *In the amount determined to be allowable in accordance*
17 *with subdivision (a), a tax benefit established in a statute that takes*
18 *effect on or after January 1, 2011, shall be paid to each taxpayer*
19 *pursuant to an annual appropriation made by the Legislature for*
20 *that purpose.*

21 (b) *For purposes of this section, “tax benefit” means a credit,*
22 *deduction, exclusion, exemption, or other tax advantage to a person*
23 *that has the effect of reducing the person’s tax liability to the state.*

24 ~~SECTION 1. Section 23040 of the Revenue and Taxation Code~~
25 ~~is amended to read:~~

26 ~~23040. Income derived from or attributable to sources within~~
27 ~~this state includes income from tangible or intangible property~~
28 ~~located or having a situs in this State and income from any~~
29 ~~activities carried on in this state, regardless of whether carried on~~
30 ~~in intrastate, interstate or foreign commerce.~~